

PUBLIC SCOPING NOTICE

**HIAWATHA REGIONAL ENERGY DEVELOPMENT PROJECT
ENVIRONMENTAL IMPACT STATEMENT**

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
ROCK SPRINGS FIELD OFFICE WYOMING
and
LITTLE SNAKE FIELD OFFICE COLORADO

SEPTEMBER 2006



1.0 INTRODUCTION

The Bureau of Land Management (BLM), Rock Springs Field Office (RSFO) and Little Snake Field Office (LSFO) are preparing an environmental impact statement (EIS) for an expanded natural gas development proposal to be known as the Hiawatha Regional Energy Development Project (Hiawatha Project). This project arises from a proposal by Questar Exploration & Production Company, Wexpro Company, and other natural gas development companies to further develop natural gas resources within the existing Canyon Creek, Trail and Kinney natural gas fields (also known as the Vermillion Basin area) in Sweetwater County, Wyoming, and the East and West Hiawatha/Sugarloaf Fields in Moffat County, Colorado. The BLM has determined that an environmental impact statement (EIS) is necessary to process the company's proposal.

In March 2006, the BLM RSFO received from Questar Exploration & Production Company, representing themselves and other lease holders, a proposal to drill and develop up to 4,208 new wells beyond the number of wells that currently exist within the Hiawatha Project area. It is estimated that approximately two-thirds (2,805) of the potential wells could be located within the Wyoming portion of the project area and the remaining one-third (1,403) could be located within the Colorado portion of the project area.

The BLM, State of Wyoming, State of Colorado, and private land owners have issued oil and gas leases covering 97% of these lands. Many of these leases date back to the 1920's, with the Hiawatha discovery well drilled in 1927. Other early wells in the Hiawatha Project area were the Canyon Creek discovery well drilled in 1941 and the Trail discovery well drilled in 1958.

2.0 PURPOSE OF THIS SCOPING NOTICE

The BLM has prepared this scoping notice to:

1. Describe the proposed project;
2. Identify the rules, roles, and obligations of agencies involved;
3. Describe the role of the public in the EIS preparation process;
4. Set forth preliminary issues that we have identified for the project; and
5. Inform the public and agency officials regarding the proposed project.

We hope that you will review this scoping notice document and provide us with your comments on the proposed project.

3.0 PROJECT DESCRIPTION

The Hiawatha Project involves approximately 157,361 acres of mixed federal, state, and private lands in Sweetwater County, Wyoming, and Moffat County, Colorado. Surface ownership or management responsibility is approximately 91% federal (143,159 acres), 2% private (3,058 acres), 1.4% State of Colorado (2,151 acres), and 0.6% State of Wyoming (907 acres). The BLM Rock Springs Field Office manages the federal surface lands and the federal mineral estate within the project area in Wyoming, and the Little Snake Field Office manages the federal surface lands and the federal mineral estate within the project area in Colorado.

The project area is generally located within Townships 11 through 14 North, Ranges 99 through 102 West, 6th P.M., as shown on Map 1. It lies in an area south of Rock Springs, Wyoming, northwest of Craig, Colorado, and is bisected by Wyoming State Highway 430 and Moffat County Road 10 through its western quadrant.

The proposal includes drilling and developing up to 4,208 wells with 40-acre downhole well spacing per section, if approved by the Wyoming Oil and Gas Commission and the BLM. Associated facilities include additional roads, gas pipelines, compressor stations, one major pipeline, and an addition to a gas treatment facility. The potential effects of the Hiawatha Project on the area are described in Table 1.

Table 1 - Preliminary Estimate of Surface Area Disturbance¹

Facility Type	Initial (Short Term) Disturbance Area² (acres)	Area of Operations³ (Long-Term Disturbance Area) (acres)
Well Pad Sites ⁴	12,624	4,208
Roads ⁴	6,312	3,787
Pipelines ⁴	6,312	0
Major Transmission Pipeline ⁵	1,166	0
Addition to Gas Treatment Facility, Compressor Sites, Pig Launching Facilities ⁶	80	80
Total Disturbed Area ⁷	26,494	8,075
Percentage of the Total Project Area ⁸	16.84%	5.13%

¹ This table represents the total area estimated to be disturbed at the Hiawatha Project during its 20- to 30-year construction and 30-year operational life.

² The initial disturbance represents the area disturbed as a result of drilling and associated construction of well pad sites, roads, gas pipelines (facility and major), compressor sites and adding on to an existing gas treatment facility.

³ Following drilling and associated construction, part of the initial disturbance would be reclaimed. The area not reclaimed would be used for operations. Once the gas resource is extracted, facilities would be removed and the area reclaimed entirely.

⁴ An estimated 4,208 well bores would be established in the project area.

Initial (Short Term) Disturbance Area: The initial well pad site disturbance for a well would average 6.0 acres per well pad site which includes 3.0 acres for the well pad, 1.5 acres for an access road, and 1.5 acres for pipeline. Area of Operations (Long-Term Disturbance Area): Following drilling and well installation, reclamation would reduce the well pad sites to approximately 1.9 acres which includes 1.0 acres for the well pad and 0.9 of an acre for a road.

⁵ One major transmission pipeline would be needed. It will run from the Canyon Creek Gas Treatment Facility to the Interstate 80 corridor. The width would be 175 feet and the length 55 miles. Pipe diameter would be a maximum of 42 inches.

⁶ It is assumed that one gas treatment facility will be expanded, and estimated to affect approximately 20 acres. It is assumed that 8 additional compressor stations would be required for the project. An estimated five acres would be physically affected at each compressor station site. Several Pig Launching facilities would be required for a total of 20 acres of disturbance.

⁷ This percentage is based on the 157,361 acres within the EIS analysis area.

⁸ Once pipelines are constructed and buried, the disturbed area would be reclaimed in its entirety.

Several geologic formations will be targeted for development including the Fort Union, Lewis, Almond, Ericson, Baxter, Frontier, Dakota, and Nugget formations with well density varying depending on the formation. A 20- to 30-year development period is planned with a 30-year operational period.

At the end of the operational period, surface disturbance including wells pads, roads, and other sites will be reclaimed in consultation with the landowner or BLM to return the land to as close to its original condition and vegetation composition as possible.

4.0 NATIONAL ENVIRONMENTAL POLICY ACT (NEPA)

The BLM has the legal authority to regulate oil and gas operations on BLM-administered lands, pursuant to the Mineral Leasing Act of 1920 and the Federal Land Policy and Management Act of 1976. In this case, the BLM has determined that an environmental impact statement is required to fulfill the requirements of NEPA. This type of analysis is used to assess the effects of implementing the development proposal by looking at the overall proposal (4,208 wells, roads and pipelines, etc.) and its effects within the area. This document will disclose the environmental effects anticipated, timing of the EIS, and general mitigation and must, by law, comply with the decisions and direction of the applicable RMP. The applicable RMPs are the Green River Resource Management Plan (October 1997) for Wyoming and the Little Snake Resource Management Plan (June 1989) for Colorado. Following the issuance of a Record of Decision, Applications for Permit to Drill (APDs) may be submitted to the BLM for approval on federal surface and minerals.

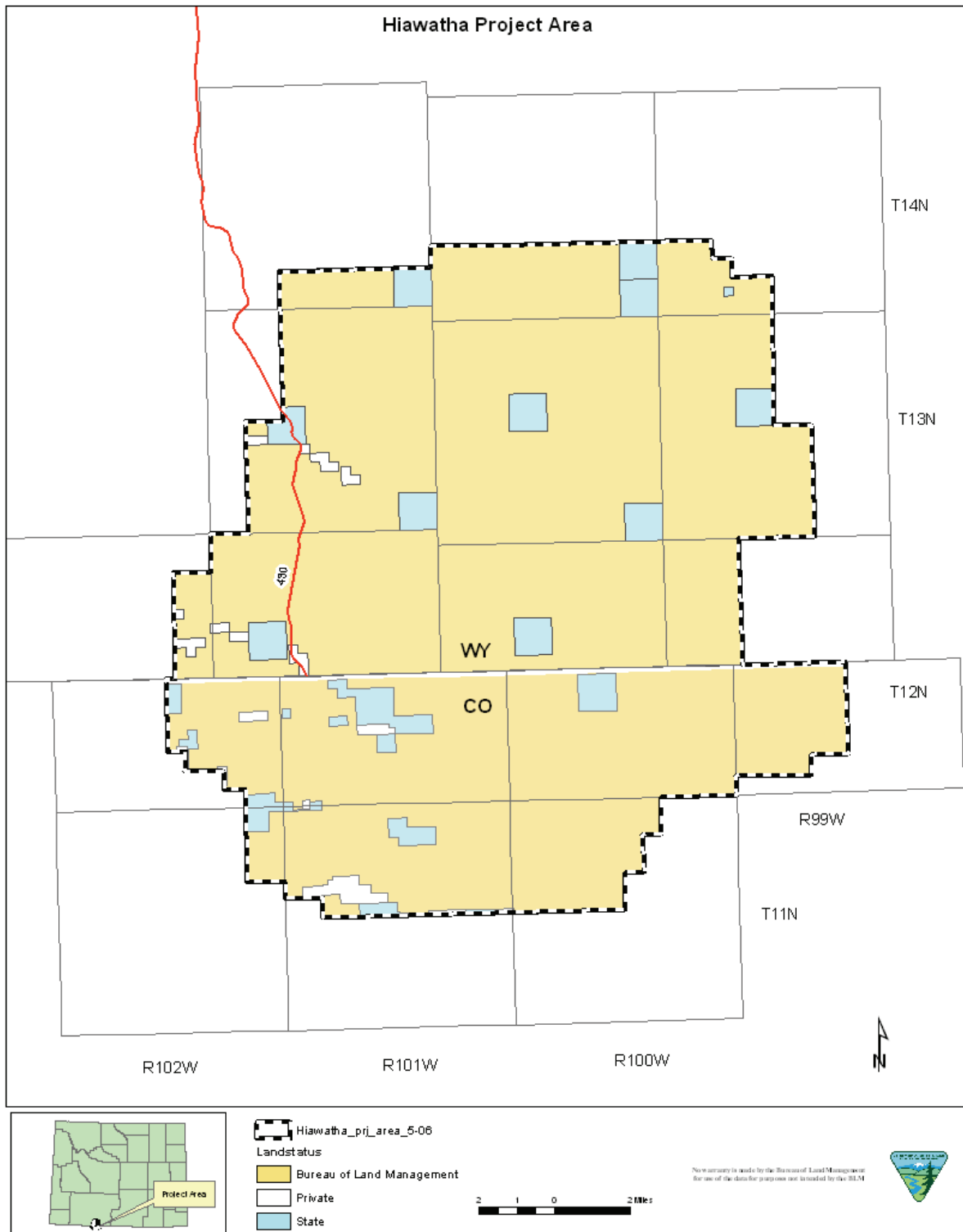
Under BLM regulations, APDs must be submitted and approved prior to any ground disturbing activity on federal minerals and federal surface. APDs are required to contain the detailed, site specific information necessary to assess the effects of the actions proposed and generally are limited to a single discrete proposed action (a well pad site with a road, a single compressor facility, etc.). The type of environmental analysis used is generally an Environmental Assessment (EA). This EA “tiers” to or complies with the provisions and decisions of the larger scale EIS completed for the Project, and the even larger scale RMP. Most project-scale EISs result in a large number of tiered APDs as the operator develops the project.

Section 390 of the Energy Policy Act of 2005 established five new statutory Categorical Exclusions (CX) that apply to oil and gas exploration and development activities. The Section 390 CXs are not subject to the 12 “extraordinary circumstances” that apply to the Department of the Interior Bureaus. The CXs exclude the proposed actions from the need to conduct additional NEPA analysis. All exclusions contemplate some type of previous NEPA analysis.

The environmental analysis actions leading to a final EIS are prescribed by NEPA and consist of the following:

1. Scoping
2. Analysis Actions
3. Documentation
4. Implementation

Map 1 - Hiawatha Project Area



4.1 Scoping

The scoping process will help determine the extent of the environmental analysis necessary for a decision on the project. Elements in the scoping process include the following:

1. Development of the description of the proposed action,
2. Preliminary identification of potential effects caused by the project;
3. Collection of data and information that address the project and general area;
4. Initiation of public participation in the EIS process;
5. Determination of the type and extent of interdisciplinary analysis to be used in the preparation of the draft and final EIS documents;
6. Identification of government agencies involved;
7. Plans for preparation of the draft and final EIS, including selection of a format organization for the document and development of a tentative schedule for EIS completion and publication; and
8. Identification of cooperating government agencies and the assignment of required tasks to the BLM interdisciplinary (ID) team.

4.2 Analysis Actions

Based upon the results of the scoping effort, the following process will be used to assess the nature and significance of the physical, biological, and socioeconomic effects of the proposal:

1. Collection and interpretation of background and baseline data. Data collection will focus on the present and expected physical, biological, and socioeconomic conditions affecting or affected by the proposal.
2. The development of alternatives to respond to important issues identified in the scoping process. Where adverse environmental impacts are identified, appropriate operating measures will be considered and evaluated. A no action alternative will be addressed to provide a baseline for estimating the effects of other alternatives.
3. Assessment of the effects of each alternative. Direct, indirect, and cumulative effects will be considered. Effects will be described as changes in the physical, biological, and socioeconomic environment. These changes will be further described by the magnitude, duration, frequency, reversibility, and significance of the effects.

4.3 Documentation

The BLM published its Notice of Intent (NOI) to prepare the EIS in the Federal Register on September 6, 2006.

4.4 Implementation

The BLM will work with the public, cooperating agencies, and other involved federal, state, and local government authorities prior to making any final decisions on the project. As appropriate, environmental monitoring programs may be developed to respond to site-specific conditions and concerns and will be described in the final EIS. As a matter of law,

and regulation, the BLM monitors oil and gas projects from initial development through final closure to ensure that environmental safeguards are achieved and maintained.

5.0 EIS ORGANIZATION

The organization of the Hiawatha Project EIS effort will be based on legal requirements, Council on Environmental Quality NEPA regulations, and BLM guidelines. The BLM has decided to use the services of an independent third-party contractor to aid in the analysis of the project and the preparation of the EIS document. The EIS organizational responsibilities are described in this section.

5.1 Bureau of Land Management

The BLM is the lead agency responsible for the preparation of the EIS. In this role, there are several levels of responsibility established to fully meet NEPA obligations.

5.1.1 Responsible Official

Wyoming has been designated the Lead Office for the Hiawatha Project. Bob Bennett is the State Director for the BLM's Wyoming State Office. He is directly responsible for the scope and content of the EIS, and ultimately, it is his decision to select which alternative to adopt under this proposal.

5.1.2 EIS Coordinator

The BLM has assigned Susan Davis from the Rock Springs Field Office and Barb Blackstun from the Little Snake Field Office as the EIS Co-Leads. Their responsibilities include coordinating various aspects of the EIS effort including study design, public involvement, outside contracts, review of data collection and analysis, and final preparation of the EIS documents. The EIS Lead is the primary liaison between the BLM, the companies, the third-party contractor, and other agencies and organizations.

5.1.3 Interdisciplinary (ID) Team

The BLM ID team consists of BLM technical specialists. They will be assigned to the project at the request of the Field Managers of the Rock Springs and Little Snake Field Offices and will work under the direction of the EIS Co-Leads. The primary responsibilities of the ID team will be to furnish guidance to the third-party contractor, provide technical information, and participate in the evaluation and presentation of data in the draft and final EIS documents. They will also work with technical specialists from the third-party contractor, cooperating or other interested government agency personnel, and other organizations in the area of their expertise.

5.2 Questar Exploration & Production Company and Other Participating Companies

Questar Exploration & Production Company is the lead company for preparation of the EIS. Questar is responsible for representing the companies to the BLM, and for the exchange of information between the BLM and the companies. Questar will be responsible for the collection and preparation of project plans and for obtaining any additional information as may be required to address the environmental impacts of their proposal. In addition, as specified in the Memorandum of Understanding (MOU) between Questar and the BLM, Questar, on behalf of the participating companies, will be responsible for funding the

independent third-party contractor who will assist in preparing and printing the EIS and related documents under the supervision of the BLM.

5.3 Independent Third-Party Contractor

The contractor retained by the BLM will work under the provisions of the MOU to develop data, analyze effects, and document conclusions leading to the final EIS. The consultant will assign a Project Manager to act as the liaison between the BLM Co-Leads and the contractor's team. The contractor's Project Manager will be analogous to the BLM EIS Co-Leads. The consultant will retain the necessary technical resource specialists who will assist the Project Manager in analyzing data, estimating effects, identifying and evaluating alternatives, formulating mitigation measures, and drafting technical sections of the draft and final EIS documents.

5.4 Cooperating Agencies

At the request or invitation of the BLM, other government agencies may decide to participate in the preparation and review of the EIS documents. This participation is based upon legal requirements, including special expertise and Agency jurisdiction by law. Cooperating agencies will participate not only as reviewers of the draft and final EIS documents but also throughout the analysis process to ensure that relevant issues are addressed. The BLM has initiated contacts to potential cooperating Federal, State, and local agencies and is in the process of establishing their respective agency status. Cooperating Agency invitation letters were sent out in May 2006 to bring the project to the attention of locally interested State, Federal, and local agencies. As of July 26, 2006, the following have agreed to be cooperating agencies on this EIS: Wyoming Department of Agriculture, Wyoming Game & Fish Department, Wyoming Department of Environmental Quality, Wyoming State Geologic Survey, Wyoming Department of Transportation, Dinosaur National Monument, Moffat County Commissioners, Colorado Department of Natural Resources, Sweetwater County Commissioners, and Sweetwater County Conservation District.

6.0 PUBLIC'S ROLE IN THE PROCESS

Public involvement is an important part of the scoping and the environmental analysis process. The BLM wants to ensure that the general public actively participates in the decision-making process and communicates issues and concerns so they can be addressed in the EIS.

To maintain public participation throughout the project, the BLM, as necessary, will put news releases on the radio, in local papers, and on the Hiawatha Project web site (www.blm.gov/eis/wy/hiawatha). In addition, the BLM will mail information to interested parties, conduct public open house meetings, and address local government and civic organization meetings. The input received at the public open house meetings will be coupled with other input to identify the concerns and issues that will be used to develop the draft and final EIS documents. Details of timing and location of these meetings can be found in the "Dear Reader" cover letter for this document. Public involvement will continue throughout the scoping process through receipt of written comments regarding concerns and issues. Written comments or resource information can be mailed to the BLM, Rock Springs Field Office, Attention: Hiawatha Regional Energy Project, 280 Highway 191 North, Rock Springs, Wyoming 82901. Additionally, the public may submit comments electronically at Hiawatha_EIS_WYMail@blm.gov. Project information and documents will be available on

the web at www.blm.gov/eis/wy/hiawatha. A “Scoping Comment Sheet” is included on page 11 for your convenience.

7.0 RELATIONSHIP TO EXISTING PLANS AND DOCUMENTS

7.1 *The Green River Resource Management Plan*

The Green River Resource Management Plan (RMP) (October 1997) directs management of BLM-administered lands within Wyoming in the project area. Based on the information developed during the course of this analysis, the BLM may decide it is necessary to amend the 1997 Green River Resource Management Plan.

7.1.1 Plan Criteria

An amendment to the Green River Resource Management Plan (October 1997) may become necessary. In accordance with BLM Handbook H-1601-1, as part of the planning process, preliminary planning criteria have been developed and are available for review on our website www.blm.gov/eis/wy/hiawatha and upon request in the Rock Springs Field Office. Planning criteria guide development of the potential plan amendment by helping define the decision space or “sideboards” that define the scope of the plan amendment. Final planning criteria will be developed based upon public comment received during this scoping period.

7.1.2 Vermillion Basin Natural Gas Exploratory and Development Project

The Vermillion Basin Natural Gas Exploratory and Development Project Environmental Assessment (2000) and Modified Decision Record (2002) is the current document that allows development in the project area in Wyoming.

7.2 *The Little Snake Resource Management Plan*

The Little Snake Resource Management Plan (June 1989) directs management of BLM-administered lands within Colorado in the project area. There is a 1991 Oil and Gas Amendment to this RMP. This RMP is currently being revised and updated with completion targeted for 2008.

7.3 *Use Authorizations*

Use authorizations (rights-of-way, permits, etc.) for well site facilities, roads, powerlines, and pipelines will be processed through the BLM APD and Sundry Notice permitting process. Any facility located off-lease would require individual right-of-way permits. The Wyoming and Colorado DEQ offices also have responsibilities for issuing various permits for oil and gas development activities under State and Federal Law.

7.4 *Lease Stipulations*

Some leases within the project area include special stipulations on occupancy. These special stipulations are in addition to the standard lease terms. Such special stipulations are imposed to protect surface resources such as soils, water, and wildlife by restricting periods of activity in specific areas. Application of these lease stipulations will be handled on a case-by-case basis for each APD submitted to the BLM.

8.0 SCHEDULE

As part of EIS scoping, a comprehensive project schedule will be prepared which identifies critical target dates and other time frames so the EIS process may be conducted in a systematic and orderly fashion. This schedule will be completed as part of the EIS effort following the closure of the scoping comment period.

9.0 ISSUES

Review of the proposed project has allowed the BLM to identify some preliminary issues associated with the Project. These concerns, along with those developed from scoping, will drive the preparation of the draft EIS. The BLM asks you review these issues in detail and advise us of what issues you believe are significant, or of any other issues that you believe are appropriate for our analysis.

Twelve preliminary issues have been identified for the Project. Please note that this list is not meant to be all-inclusive, but rather it is a starting point for public review and comment and a means for identifying the resource disciplines needed to conduct the analysis.

9.1 Air Quality

1. Ozone, nitrogen, and particulate matter concentrations near the project.
2. Impacts to visibility in Class I areas in the region.

9.2 Cultural Resources

1. Impacts to cultural/historic resources, interpretation, and educational opportunities.

9.3 Hydrology

1. Impacts to water quality, flow levels, groundwater, and aquifers.
2. Impacts to Lower Green River Watershed.
3. Impacts to non-point source water quality.

9.4 Land Use

1. Compatibility of development with existing land uses.

9.5 Livestock Grazing

1. Impacts to existing range improvements and loss of forage.
2. Potential need for new range improvements.

9.6 Reclamation

1. Timing and effective reclamation.
2. Halogeton control.
3. Short- and long-term surface disturbance.

9.7 Recreation

1. Access to public lands for recreational opportunities.
2. Impacts of resource development on recreational opportunities.
3. Off-highway vehicle management.

9.8 Socioeconomic Resources

1. Social, economic, and infrastructure effects from increased work forces.
2. Impacts of development on community infrastructure and tax revenue.
3. Impacts from temporary work force.

9.9 Soils and Vegetation

1. Short-term and long-term erosion.
2. Impacts to riparian habitat from noxious weeds and other invasive species.

9.10 Transportation

1. Impacts of field access roads (construction, placement of culverts, surfacing, maintenance, and prevention of erosion).
2. Transportation planning and dust abatement.
3. Adequate road maintenance through utilization of required road use and maintenance agreements.

9.11 Visual Resources

1. Visual resource sensitivity and reduced visual quality.

9.12 Wildlife and Fisheries

1. Impacts to greater sage-grouse winter habitat, breeding, nesting, and disruption of lek activities.
2. Impacts to winter ranges of all species.
3. Development of habitat management plans.

10.0 PUBLIC PARTICIPATION

Federal, state, and local government agencies and organizations that were mailed a copy of this Scoping Notice are listed in Appendix A.



U.S. Department of the Interior
Bureau of Land Management
 Rock Springs Field Office – Rock Springs, Wyoming
 Little Snake Field Office – Craig, Colorado



Hiawatha Regional Energy Development Project

Scoping Comment Sheet

Please leave your comments at the registration table or mail them to:
 Bureau of Land Management, Attn.: Susan Davis, Rock Springs Field Office,
 280 Highway 191 North, Rock Springs, Wyoming 82901

Please Read Carefully

Comments, including names and street addresses of respondents will be available for public review at the Rock Springs Field Office, 280 Highway 191 North, Rock Springs, Wyoming, during regular business hours (7:30 a.m. to 4:30 p.m.) Monday through Friday, except holidays. Individual respondents may request confidentiality. If you wish to withhold your name or address from public review or from disclosure under the Freedom of Information Act, you must state this prominently at the beginning of your comments. Such requests will be honored to the extent allowed by law. All submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses will be made available for public inspection in their entirety.

Name/Organization:

Address:

Zip Code:

Comments:

Appendix A

Initial Mailing List

The Scoping Notice initial mailing distribution includes the following list of agencies, individuals, industries, organizations and media.

Government Offices

Bureau of Land Management
Colorado State Office
Little Snake Field Office
Rock Springs Field Office
Wyoming State Office
Colorado State Agencies
Environmental Protection Agency, Region 8
Office of the Governor, State of Colorado
Office of the Governor, State of Wyoming
U.S. Department of the Army, Corp of Engineers
U.S. Fish and Wildlife Services
Wyoming State Agencies

Elected and Other Officials

Colorado State Representative: Al White
Colorado State Senator: Jack Taylor
Mayor of Craig, Colorado
Mayors of Rock Springs, Green River, and Superior, Wyoming
Moffat County Commissioners
Sweetwater County Commissioners
Sweetwater County Libraries
Sweetwater County Planner
U.S. Congresswoman Barbara Cubin (Bonnie Cannon, Representative)
U.S. Senator Craig Thomas (Pati Smith, Representative)
U.S. Senator Mike Enzi (Lyn Shanaghy, Representative)
Wyoming State Representatives*
Stephen Watt
Marty Martin
John Hastert
Bill Thompson
Wyoming State Senators*
Rae Lynn Job
Tex Boggs
Stan Cooper
(*subject to change)

Public Land Users and User Groups

Biodiversity Conservation Alliance
Center for Native Ecosystems
Colorado Big Country RC&D

Public Land Users and User Groups (continued)

Colorado Environmental Coalition
Colorado Mountain Club
Colorado Weed Management Association
Colorado Wilderness Network
Colorado Woolgrowers Association
Earthjustice Legal Defense Fund
Environmental Defense Fund
Independent Petroleum Association of Mountain States
Land and Water Fund
Little Snake Motorcycle Club
Mesa County Wilderness Coalition
National Wildlife Federation
Native American Tribes
 Eastern Shoshone
 Shoshone
 Ute
 Northern Arapaho
 Shoshone-Bannock
People for the West
Petroleum Association of Wyoming
Rock Springs Grazing Association
Rocky Mountain Elk Foundation
Sierra Club
 Northern Plains Representative
 Rocky Mountain Chapter
Southern Utah Wilderness Alliance
Southwest Wyoming Industrial Association
The Environment Protection Foundation
The Nature Conservancy Northwest Colorado Program
Theodore Roosevelt Conservation Partnership
Western Colorado Congress
Western Slope Environmental Resource Council
Wilderness Society
Wyoming Association of Professional Archaeologist
Wyoming Chapter of the Sierra Club
Wyoming Outdoor Council
Wyoming Public Lands Council
Wyoming State Grazing Board
Wyoming Wildlife Federation

Media

Local newspapers
Radio and television stations